

# State of LOUISIANA



Popular Annual  
Financial Report  
For the Fiscal Year  
Ended  
June 30, 2024

# Introduction

The Popular Annual Financial Report (PAFR) is prepared within six months after the fiscal year-end in accordance with Louisiana Revised Statute (LRS) 39:80(B) with the express purpose of providing a brief, objective and easily understood analysis of the State's financial performance for the preceding year. It presents selected information about the State's revenues, expenditures, financial position, budget, service efforts and performance. The information is presented in a non-technical format and is intended to summarize and explain the basic financial condition and the operations of the State for the fiscal year covered by the Annual Comprehensive Financial Report (ACFR), for the State of Louisiana.

Discrete component units that are legally separate state entities (e.g. Louisiana Lottery Corporation) are excluded from selected PAFR analysis because the PAFR focuses on the State's primary government section of the government-wide entities. Fiduciary funds (such as pension trust funds and custodial funds) are also excluded from the PAFR and the government-wide financial statements in the ACFR because the State cannot use these assets to finance its operations.

The ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is independently audited by the Louisiana Legislative Auditor. Conversely, the PAFR is unaudited and includes financial data that departs from GAAP.

A copy of the ACFR can be obtained on the Office of Statewide Reporting and Accounting Policy's (OSRAP) website at [www.doa.la.gov](http://www.doa.la.gov). The source of all illustrations is the 2024 and/or prior years ACFRs unless otherwise indicated.

## Basis of Accounting

### GAAP Basis

The State's GAAP basis government-wide financial statements provide a broad overview of the finances of the State as a whole. The government-wide financial statements are presented on the full-accrual basis of accounting, which is similar to the basis of accounting used by private-sector entities. The government-wide statements provide information about the short and long-term economic effects of policy decisions such as the administration of government programs, capital financing, debt issuance, and funding obligations for post-employment benefits for the State's employees. Consistent with the long-term focus, the government-wide financial statements report all of the State's economic resources rather than those financial resources that are currently available.

### Budgetary Basis

The State's budgetary basis of accounting focuses on the short-term, rather than the long-term focus of the government-wide financial statements discussed above. Budgetary basis information is useful in 1) assessing whether the State was able to finance current year expenditures of current financial resources with current year collections of current financial resources and 2) demonstrating compliance with finance-related laws and regulations.

## Financial Results

### Financial Position

Financial position is the difference between a government's resources and the claims of other parties on those resources at a point in time. Financial position is strong if a government has ample resources in excess of the claims of others on those resources. The greater the financial position, the more a government is prepared to weather future revenue shortfalls or finance unexpected contingencies without disrupting the delivery of critical government services. The following tables depict the financial results of the State's primary government.

The Statement of Net Position summarizes the assets and deferred outflows of resources, and the liabilities and deferred inflows of resources, with the difference reported as net position. The State's financial position (net position) at June 30, 2024 was approximately \$19.4 billion. The largest portion of net position, \$15.7 billion, is the net investment in capital assets. The net investment in capital assets component of net position is equal to the carrying amount of the State's capital assets (i.e. land, roads, buildings, etc.) less the outstanding debt used to finance those assets. An additional \$12.5 billion of net position is subject to external restrictions. The unrestricted component of net position would normally be available to finance the State's on-going operations and obligations. However, the unrestricted portion of net position was a negative \$8.9 billion at fiscal year end. The negative unrestricted net position is mainly due to the following and is partially offset by the State's cash, investments, and other current assets:

- \* An OPEB liability and OPEB-related deferred inflows and outflows for the State's obligation to provide post-employment health care benefits to its employees and retirees of approximately \$5.8 billion.
- \* A net pension liability and pension-related deferred inflows and outflows for the State's participation in various defined benefit plans of approximately \$5.1 billion.
- \* The effect of continued issuance of long-term debt to fund annual expenses for capital grants to other entities of approximately \$3.3 billion.

The Statement of Activities reports the change in net position from the prior year. The State's revenues continued to outpace its expenses again in fiscal year 2024 increasing the State's overall net position by \$4.0 billion in fiscal year 2024.

The State's total revenues of \$48.0 billion remained consistent with prior year decreasing only \$397 million, or 0.8%. Operating grants and contributions decreased by \$2.0 billion mostly attributed to less federal funds available as the recovery from the COVID pandemic and certain other disasters are coming to an end. This decrease was offset by increases in tax revenues of \$320 million, capital grants and contributions of \$371 million, and other general revenues of \$678 million. Corporate franchise taxes, individual income tax, and insurance premium taxes had the largest increases at \$240 million, \$162 million, and \$110 million, respectively. The increase in other general revenues is primarily attributable to an increase in investment earnings.

Expenses totaled \$44.0 billion which as an increase of \$1.6 billion or 3.7% compared to the prior year. General government had the most increase in expenses at \$452 million followed by education at \$444 million and health and welfare at \$376 million.

<b>Condensed Statement of Net Position</b> (in thousands) FYE 06/30/2024	
Current and Other Assets	\$38,471,522
Capital Assets	19,834,590
<b>Total Assets</b>	<b>58,306,112</b>
Total Deferred Outflows of Resources	2,364,788
Other Liabilities	16,005,020
Long-Term Debt Outstanding	23,258,532
<b>Total Liabilities</b>	<b>39,263,552</b>
Total Deferred Inflows of Resources	2,054,782
Net Investment in Capital Assets	15,724,966
Restricted	12,479,163
Unrestricted	(8,851,563)
<b>Total Net Position</b>	<b>\$19,352,566</b>

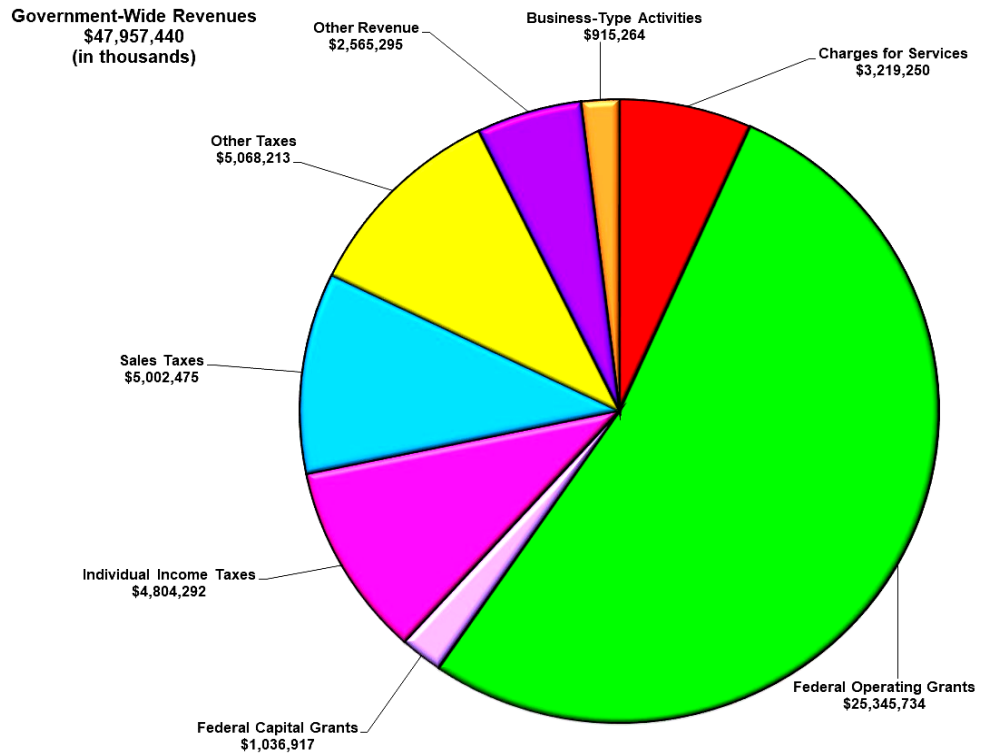
<b>Condensed Statement of Activities</b> (in thousands) FYE 06/30/2024	
<b>Revenues</b>	
<b>Program Revenues:</b>	
Charges for Services	\$3,772,287
Operating Grants & Contributions	25,591,466
Capital Grants & Contributions	1,152,687
<b>General Revenues:</b>	
Income Taxes	5,899,444
Sales & Use Taxes	5,002,475
Other Taxes	3,973,061
Other	2,566,020
<b>Total Revenues</b>	<b>47,957,440</b>
<b>Expenses</b>	
<b>Governmental Activities</b>	
Health & Welfare	22,686,815
Education	9,058,057
General Government	3,194,525
Public Safety	2,977,123
Other	5,174,517
<b>Business-Type Activities</b>	
Higher Education	586,305
Unemployment Insurance	140,569
Other	152,182
<b>Total Expenses</b>	<b>43,970,093</b>
Net Increase (Decrease)	3,987,347
Net Position - Beginning, as Restated	15,365,219
<b>Net Position - Ending</b>	<b>\$19,352,566</b>

# Government-wide Financial Analysis

Government-wide activities present the state’s financial position and operating results. The government-wide statements reflect assets and deferred outflows of resources totaling \$60.7 billion and liabilities and deferred inflows of resources of approximately \$41.3 billion. As a result, total net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) equaled approximately \$19.4 billion at June 30, 2024. On the Statement of Activities (Operating Statement), total revenues exceeded total expenses by \$4.0 billion.

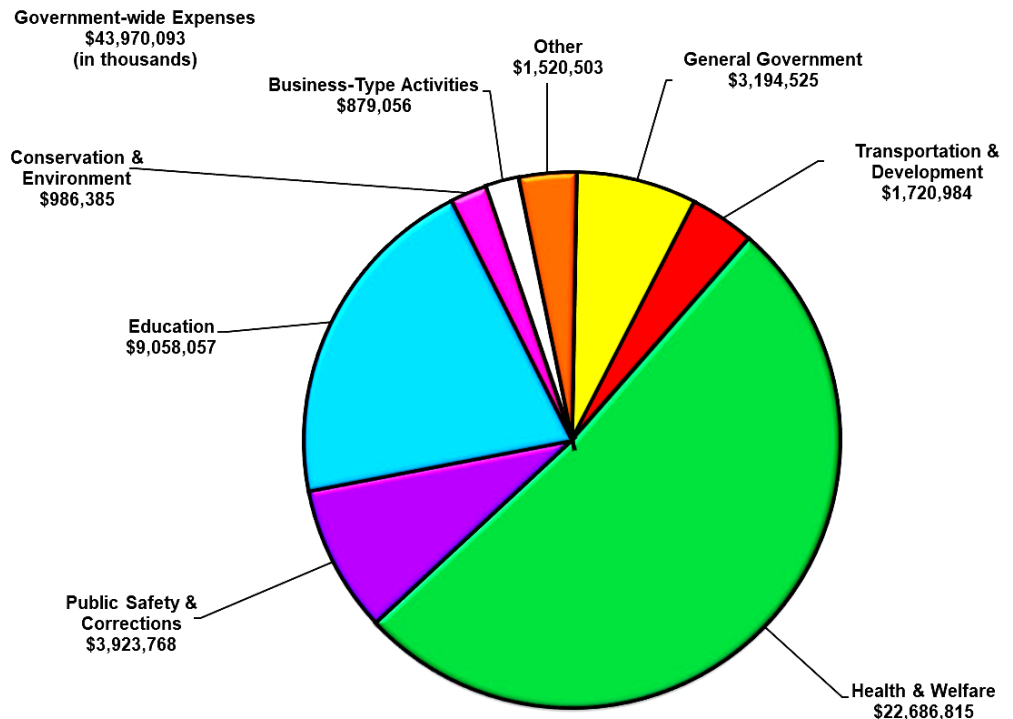
## Government-Wide Revenues

State revenue totaled approximately \$48.0 billion in fiscal year 2024. These revenues and other state assets were used to support government programs. The accompanying chart on the right displays revenue by source. Federal grants (capital and operating) for governmental activities comprised 55% of the State’s revenue.



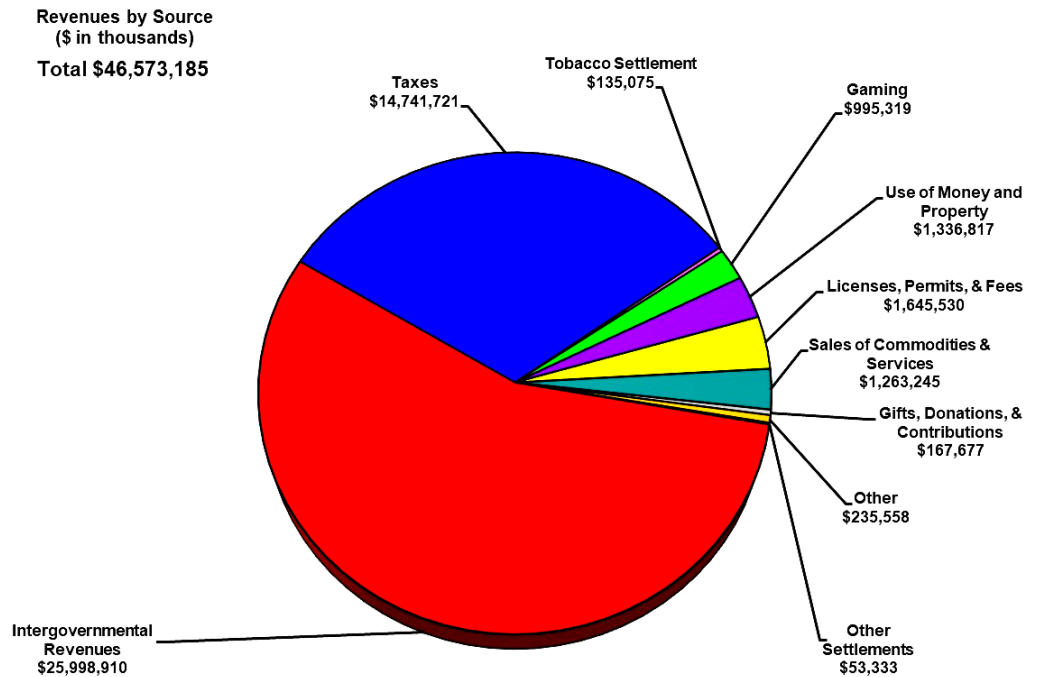
## Government-Wide Expenses

On a government-wide basis, the State expended approximately \$44.0 billion. As depicted in the accompanying chart, health and welfare, education, and public safety and corrections, represent the State’s largest spending categories.

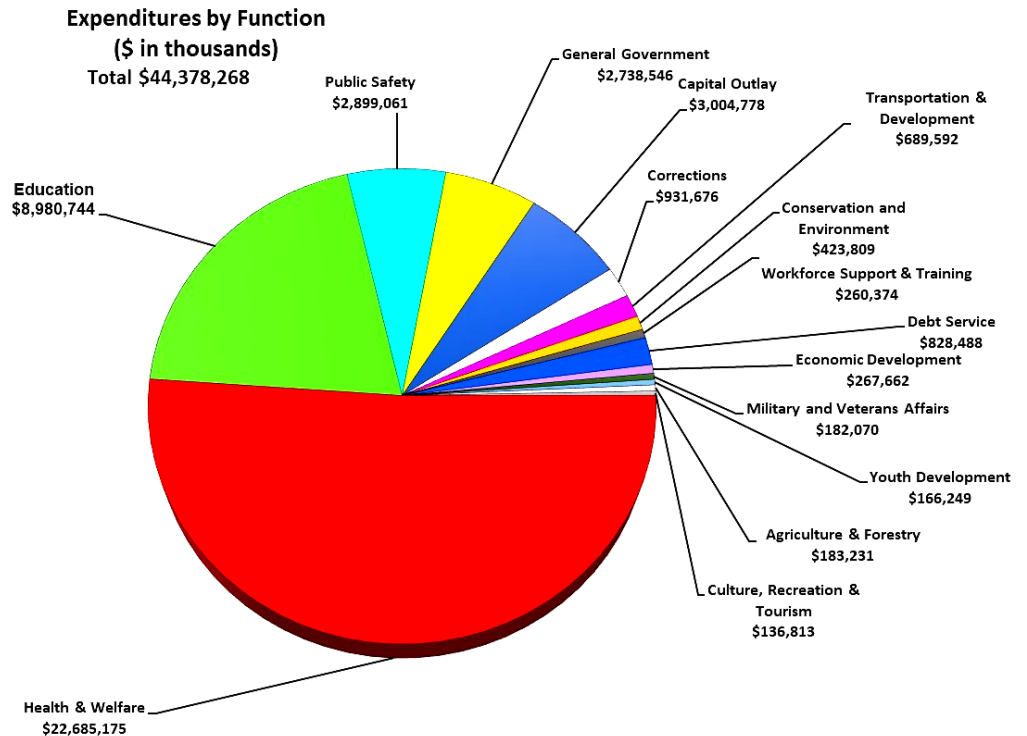


# Governmental Funds

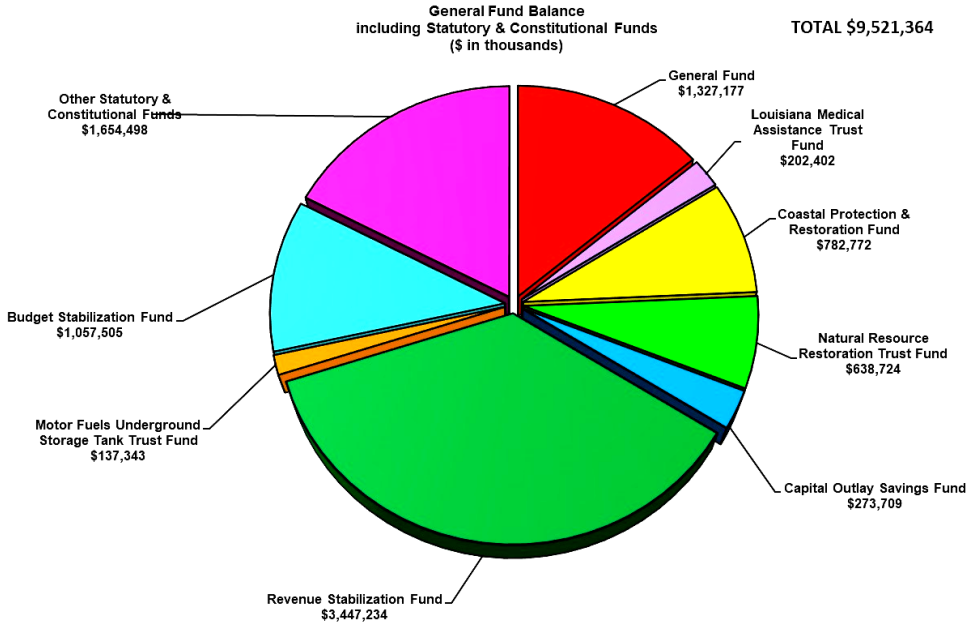
During fiscal year 2024, 56% of the State's receipts were from intergovernmental sources (mostly federal) and 44% were derived from the State's own revenue generating authority. The State's own source revenues are comprised mainly of taxes supplemented with gaming revenues; licenses, permits, and fees; and sales of commodities and services. Taxes primarily include sales and use, individual income, corporate income and franchise, severance, gas and fuels, and insurance premium taxes. Gaming revenues consist of profit-sharing with the Louisiana Lottery Corporation and gaming franchise fees. Licenses, permits, and fees consist of charges to users related to regulated activities such as vehicle licenses collected by the Office of Motor Vehicles. Sales of commodities and services consist of sales to entities outside the primary government.



The State's expenditures are largely for health and government benefit programs including large federal programs such as Medicaid and Supplemental Nutrition Assistance Program (SNAP). General government includes expenditures of the judicial and legislative branches as well as general administrative functions such as the Office of Group Benefits. Capital outlay includes expenditures for State-owned capital assets such as roads, bridges, and buildings and capital grants to other entities.



# General Fund Balance Sheet



The balance sheet of the General Fund, the chief operating fund of the State, is of interest to the public and legislators. The majority of funds created by legislative act or in the Constitution (commonly referred to as statutorily dedicated funds) are reported in the State General Fund for ACFR reporting purposes. Regardless of the ACFR presentation as required by generally accepted accounting principles, these funds are maintained as individual self-balancing accounts in the State Treasury as required by state statute.

At June 30, 2024, the General Fund had assets of \$25.0 billion and liabilities and deferred inflows of \$15.5 billion, leaving a total fund balance of \$9.5 billion. Of this balance, \$8.2 billion is comprised of statutorily dedicated funds as shown on the chart to the left.

Governmental Accounting Standards Board (GASB) Statement No. 54 revised fund balance categories to focus on the extent to which the government is bound to honor constraints on the specific purposes for which fund sources can be used. The accompanying chart depicts the five fund categories of the General Fund for the past two fiscal years.

**Nonspendable Fund Balance** - amount that will never convert to cash, such as inventories of supplies, prepaid items, and permanent fund principal.

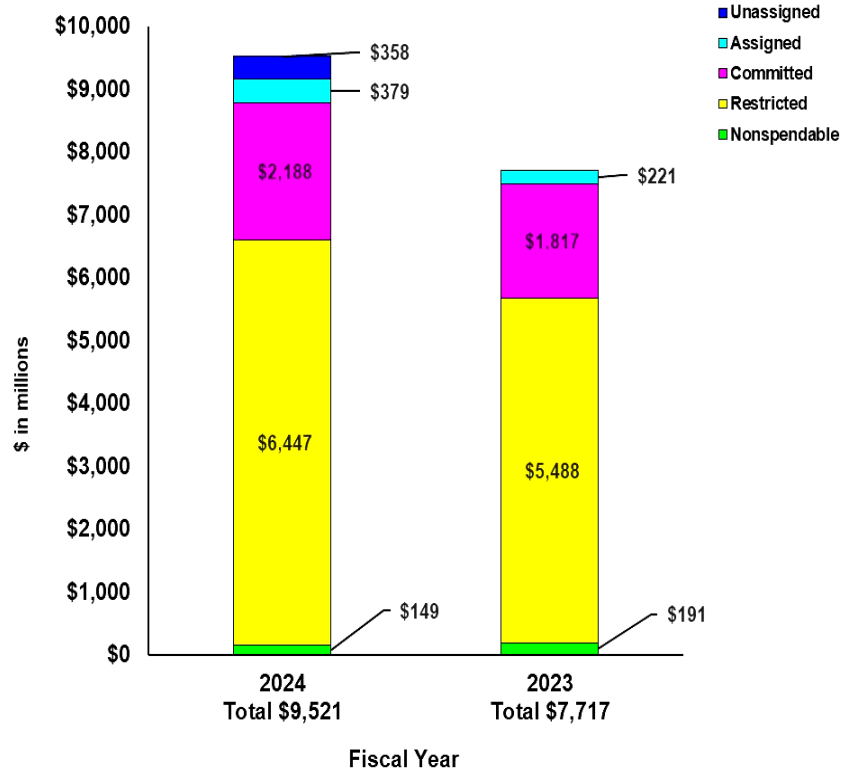
**Restricted Fund Balance** - includes amounts that have constraints placed on the use of the resources either by an external party or by imposition of law through constitutional provisions or enabling legislation.

**Committed Fund Balance** - the portion of fund balance constrained by limitations imposed by the Legislature. These are usually statutorily dedicated funds whose resources are to be used for specific purposes as defined in legislative acts.

**Assigned Fund Balance** - amount intended to be used for specific purposes and is usually created by the Joint Legislative Committee on the Budget's approvals of year-end encumbrance roll-overs into the subsequent fiscal year.

**Unassigned Fund Balance** - amount remaining after the amounts for nonspendable, restricted, committed, and assigned classifications have been identified.

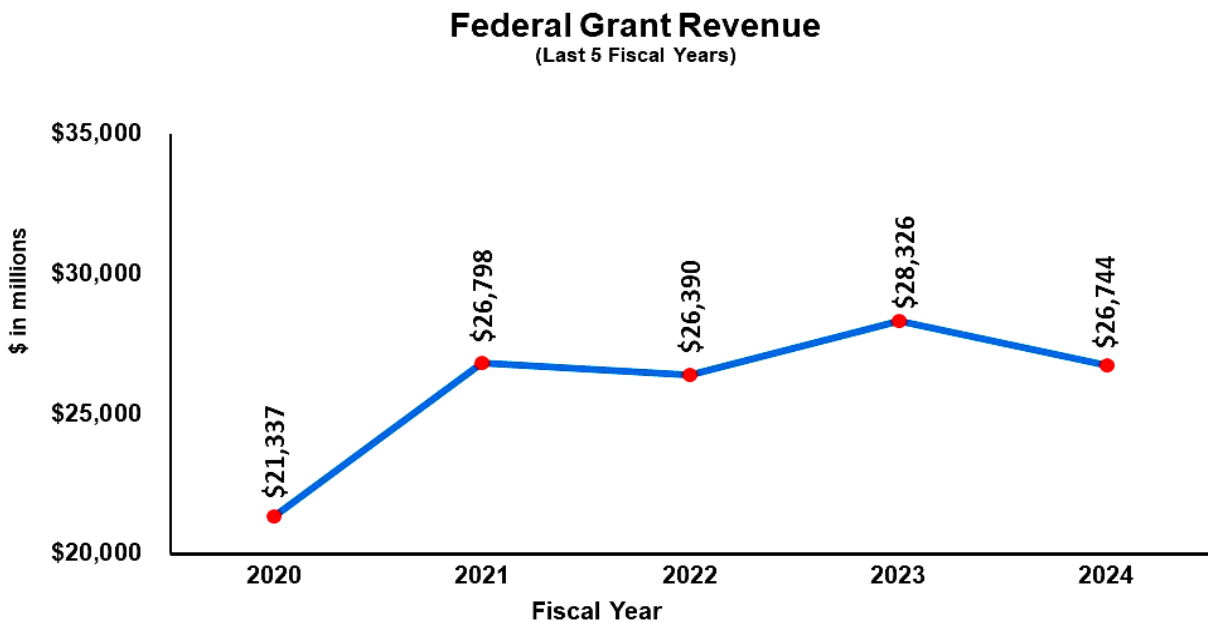
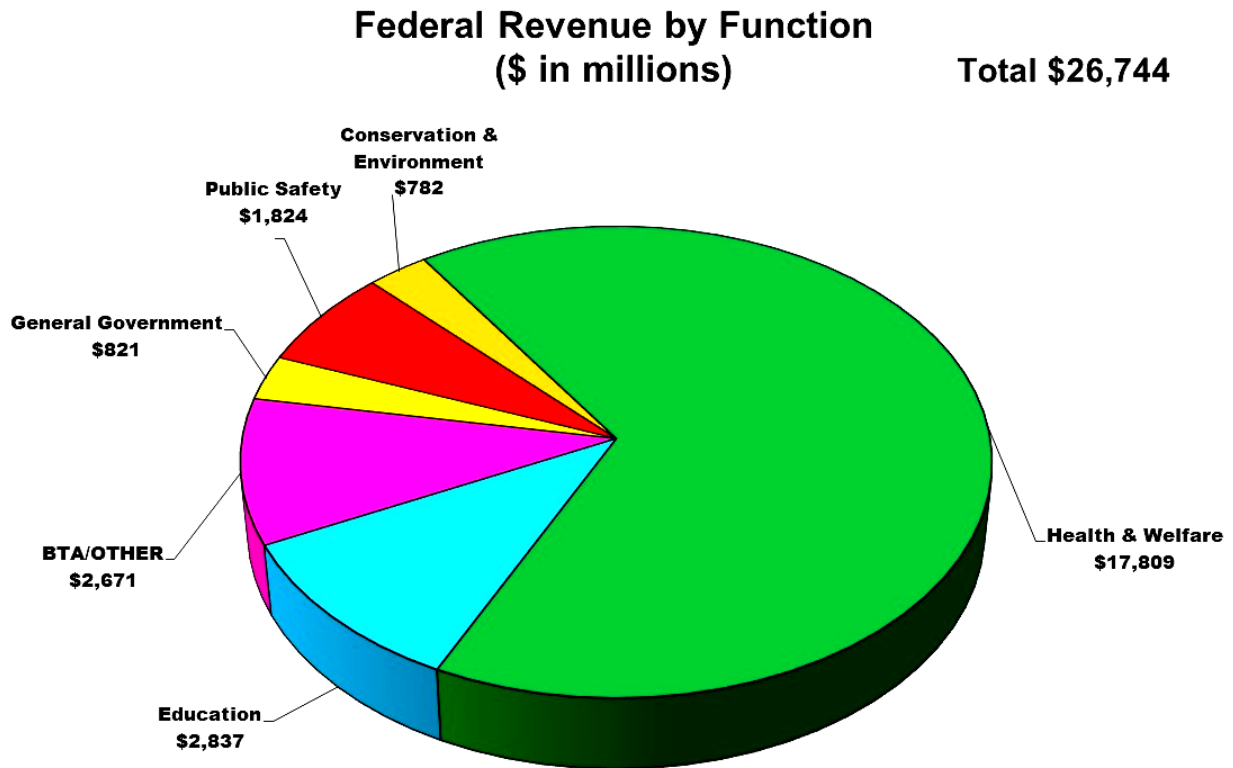
Components of General Fund Balance



# Federal Grant Revenue

The federal government awards financial assistance to the State in the form of federal grants. For the fiscal year ended June 30, 2024, total grant revenue was approximately \$26.7 billion with health and welfare programs receiving \$17.8 billion followed by education and public safety receiving \$2.8 and \$1.8 billion respectively. Various other state departments received the remaining \$4.3 billion.

Federal revenues decreased \$1.6 billion between fiscal years 2023 and 2024 as the recovery efforts from the COVID pandemic and certain other natural disasters are coming to an end. The majority of this decrease occurred in public safety and health and welfare which had decreases totaling \$1.2 billion and \$952 million, respectively.

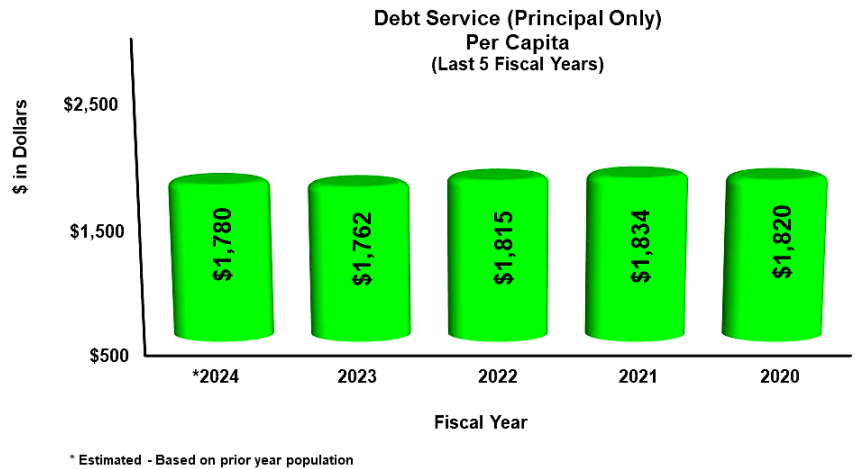


# Outstanding Debt

Bonds are issued to access monies today that otherwise wouldn't be collected until future periods. Issuing debt is useful in funding projects and programs today that would normally be completed over many years. However, if a government borrows too heavily, the government may have to spend a large portion of its revenues paying principal and interest on the debt, rather than providing governmental services to its citizens.

Assessing the extent to which a government has issued too much debt depends on many variables including the government's capacity to raise revenues, expenditure levels, and ability to access credit markets, and other factors. However, it's generally useful to benchmark certain debt metrics against other similar governments.

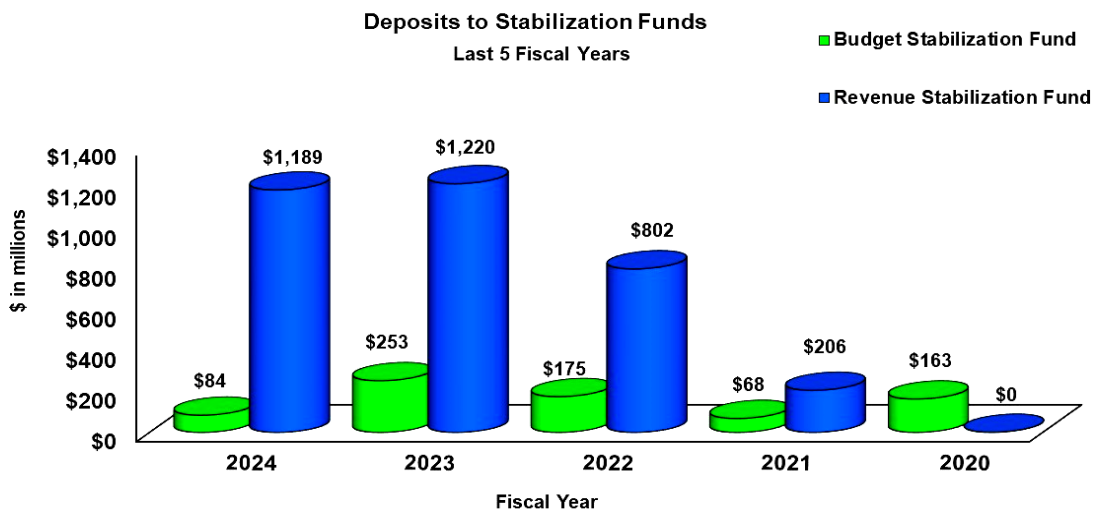
Debt per capita provides information about the debt burden placed on each citizen, who is ultimately responsible for repaying debt through taxes, fees, or other charges. According to Moody's *State Liabilities 2024* report, the median debt per capita for states was \$1,189. Of the 50 states, Louisiana has the 15<sup>th</sup> most debt per capita.



# Stabilization Funds

The Budget Stabilization Fund was created in 1990 for use as a source of funding in times of declining revenues. Deposits to the fund include excess mineral revenues, non-recurring revenues, monies in excess of the expenditure limit, investment earnings, and other monies appropriated by the legislature. For fiscal year 2024, \$84 million was deposited into the fund which included \$82 million of nonrecurring money and \$2 million of interest in accordance with Article VII, Section 10.3 of the Constitution. There were no expenditures from the fund in fiscal year 2024. The fund balance was \$1.1 billion at the end of fiscal year 2024.

The Revenue Stabilization Fund was created in 2016. Deposits into the fund include revenues in excess of \$600 million dollars received each fiscal year from corporate franchise and income taxes and a portion of mineral revenues in excess of \$660 million. For fiscal year 2024, \$1.2 billion was deposited into the fund, and there were no expenditures. The fund balance was \$3.4 billion at the end of fiscal year 2024. Once the fund balance reaches \$5.0 billion, the legislature may appropriate up to 10% for capital outlay projects and transportation infrastructure. Funds may also be appropriated for emergencies at any time and for any purpose with a favorable two-thirds vote of the elected members of each house of the legislature.





# Funded Percentage of Pension Liability

The State provides pensions and post-employment benefits other than pensions (referred to as OPEB and includes health and life insurance benefits) to its retirees. Defined benefit plans provide a pre-determined level of benefits for an uncertain amount of time. In the case of pensions, the State provides specified amounts to retirees until death that is predetermined by a formula based on the individual’s earning history. In the case of OPEB, the State assumes the risk of paying a share of health care costs or health care premiums for retirees until death.

The State is a participating employer in seven defined benefit pension plans. Pension benefits are pre-funded. The State and participating employees contribute to the pension system while employees are in active service to pay for the pension benefits the employee is entitled to at retirement. Employee contributions are established in statute. Employer contributions are actuarially determined each year by the Public Employee Retirement System Actuarial Committee. The chart below reflects each plan’s fiduciary net position as a percentage of the total pension liability.

	2024	2023	2022	2021	2020
<b>District Attorneys' Retirement System</b>	86%	82%	97%	85%	93%
<b>Louisiana Clerks' of Courts Retirement System</b>	78%	74%	85%	72%	78%
<b>Louisiana State Employees' Retirement System</b>	68%	64%	73%	58%	63%
<b>Registrars of Voters Employees' Retirement System</b>	87%	83%	98%	83%	85%
<b>Louisiana School Employees' Retirement System</b>	79%	76%	83%	70%	74%
<b>Louisiana State Police Retirement System</b>	73%	73%	88%	71%	74%
<b>Teachers' Retirement System of Louisiana</b>	74%	72%	84%	66%	69%

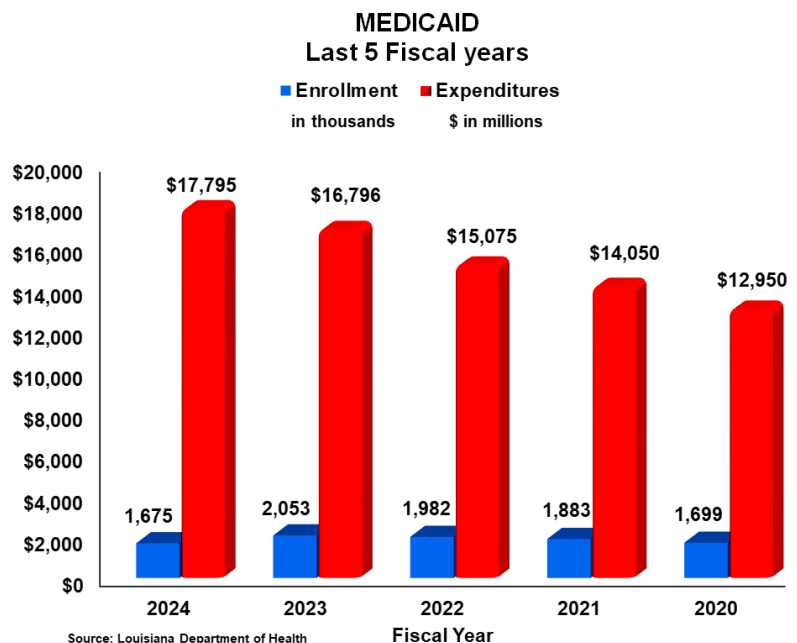
Source: 2024 ACFR - Required Supplementary Information

# Medicaid

Louisiana is dedicated to providing its residents with the best social services and economic security available. Many programs and services have been established to aid individuals in need of government assistance.

Medicaid is a means-tested entitlement program that finances the delivery of primary and acute medical services as well as long-term services and is jointly funded by the federal and state governments. At the end of fiscal year 2024, the Medicaid program had an enrollment of approximately 1.7 million low-income children, pregnant women, adults, seniors, and individuals with disabilities in Louisiana. In fiscal year 2024, Medicaid program expenditures were approximately \$17.8 billion.

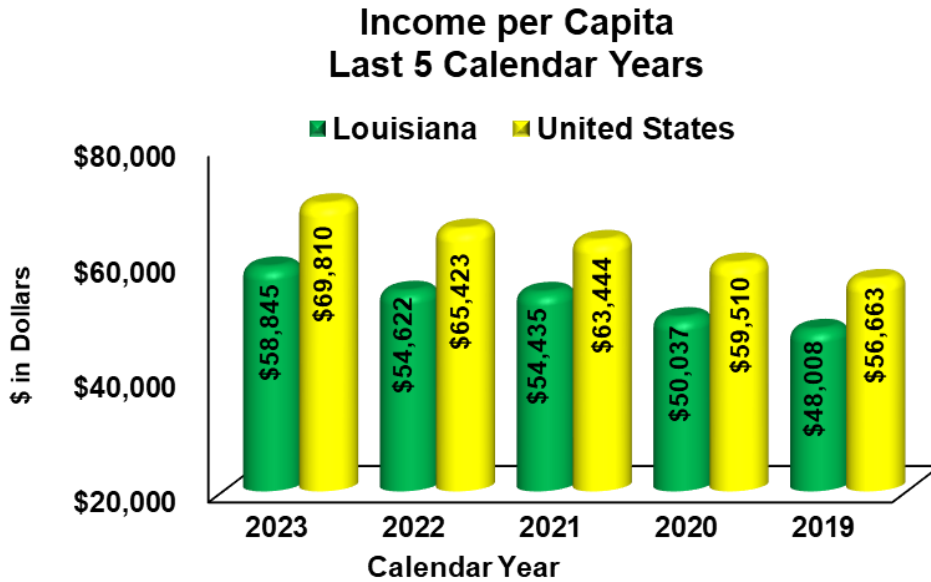
The chart on the right depicts the total number of individuals enrolled in Medicaid at year-end and the total Medicaid expenditures for the past five fiscal years. The 18.4% decrease in enrollment during fiscal year 2024 is largely due to resuming eligibility checks following the end of the Public Health Emergency. Because the population that was dis-enrolled largely consisted of healthier individuals with lower healthcare costs, the decrease in enrollment did not result in decrease in total expenditures.



# Key Economic Factors

## Income per Capita

Income per capita measures the average income earned per person in a given area in a specified year. Louisiana’s income per capita has increased by \$4,223 since 2022. Income per capita is calculated by dividing the total income by the population. Louisiana’s population decreased by 16,000 in 2023. The chart below illustrates Louisiana’s income per capita compared to the U.S. income per capita.

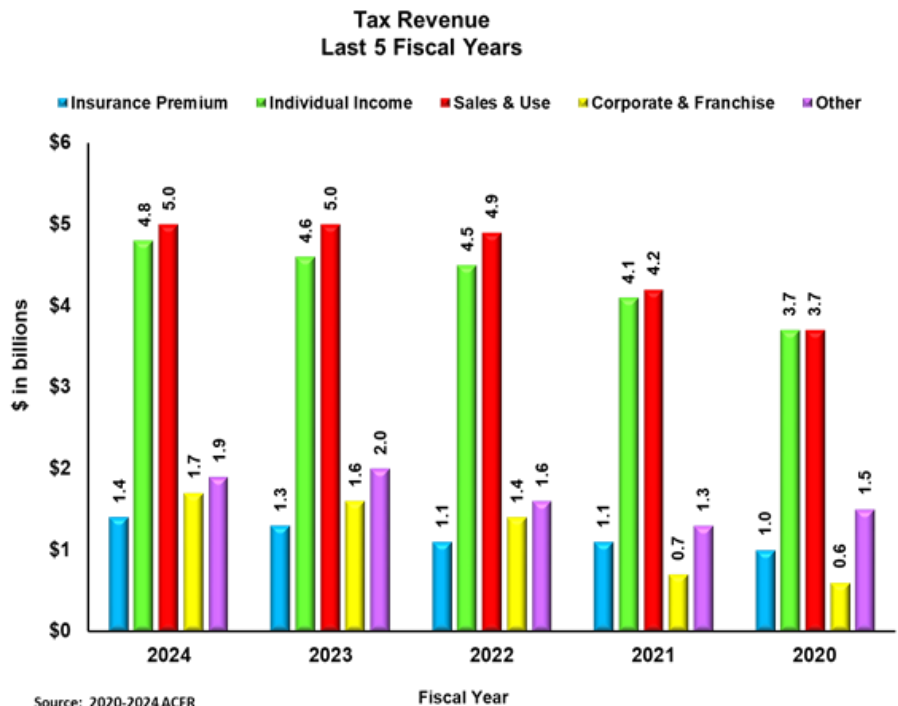


Source: 2024 ACFR & U.S. Bureau of Economic Analysis

## Taxes

The state’s largest tax revenue streams are individual income taxes, general sales and use taxes, corporate income and franchise taxes, and insurance premium taxes. The chart on the right illustrates the trends in tax revenue over the last five fiscal years. The state’s major tax sources have been increasing since 2020.

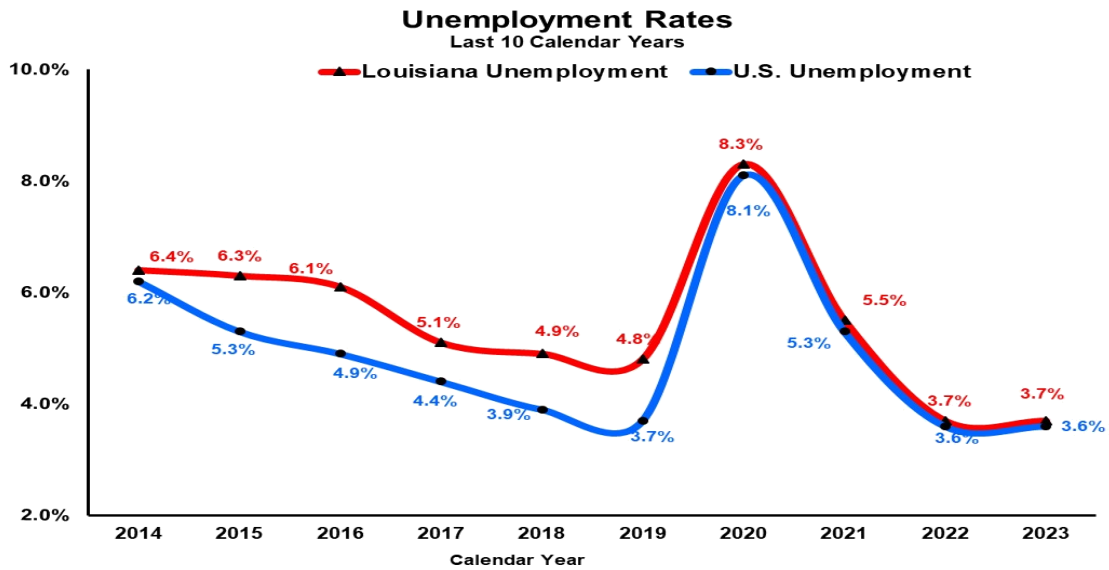
In 2024, corporate income and franchise taxes increased approximately \$147 million from 2023. Also, individual income taxes and insurance premium taxes increased by approximately \$162 million and \$110 million, respectively, while sales taxes and other taxes remained approximately the same.



Source: 2020-2024 ACFR

# Unemployment Rates

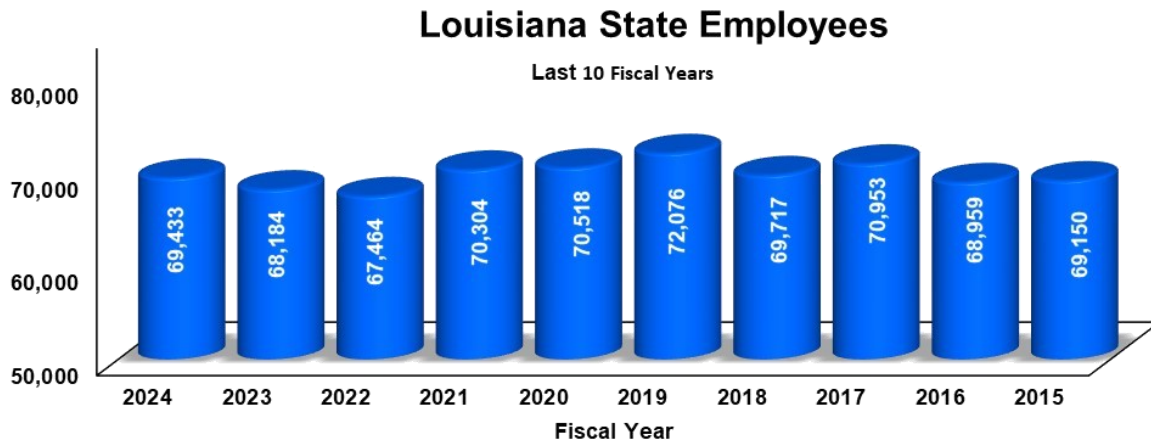
Unemployment occurs when an individual who is actively searching for employment is unable to find work. Unemployment is often a measure of the health of the economy. The most frequent measure of unemployment is the unemployment rate. Louisiana's unemployment rate remained 3.7% in 2023. The line graph below depicts Louisiana's unemployment rate compared to the U.S. unemployment rate over the past 10 calendar years.



Source: 2024 ACFR & U.S. Dept. of Labor - Bureau of Labor Statistics

# Number of State Employees

Louisiana employed 69,433 state civil service employees in fiscal year 2024. The total number of employees consist of 39,080 classified employees and 30,353 unclassified employees. This represented an increase of 1,249 (1.83%) positions in the fiscal year 2024 budget.



## WEBSITE ADDRESSES

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